

# 6905 N. Wickham Road, Suite 303 Melbourne, FL 32940

January 5, 2011

## VIA ECFS

Marlene H. Dortch Secretary Federal Communications Commission 445 Twelfth Street, SW Washington, DC 20554

Re: Conexions, LLC d/b/a Conexion Wireless

Amendment to Special Low-Income ETC Petition (WC Docket No. 09-197)

Dear Ms. Dortch:

By this letter, Conexions, LLC d/b/a Conexion Wireless ("Conexions") hereby amends its pending petition for designation as an eligible telecommunications carrier ("ETC") for the limited purpose of receiving support from the Commission's low-income universal service program to reflect that it has become a facilities-based carrier. As such, Conexions' ETC status, when granted, should not reflect conditions imposed on reseller ETCs. In addition, Conexions makes additional commitments herein to protect public safety and prevent waste, fraud, and abuse of universal service funds.

## I. Conexions Is Now a Facilities-Based Carrier

At the time Conexions filed its Petition, it planned to operate exclusively as a reseller of wireless telecommunications services – a mobile virtual network operator ("MVNO").<sup>2</sup> During

<sup>&</sup>lt;sup>1</sup> Conexions, LLC d/b/a Conexion Wireless, Petition for Limited Designation as an Eligible Telecommunications Carrier in the States of Alabama, Connecticut, Delaware, New Hampshire, North Carolina, New York, Tennessee, the Commonwealth of Virginia, and the District of Columbia, WC Docket No. 09-197 (filed Oct. 7, 2009) ("Petition"). *See also* Letter from Brian Cox, President, Conexions, to Marlene H. Dortch, Secretary, FCC, WC Docket No. 09-197 (filed Nov. 24, 2009) (responding to staff inquiries regarding petition); *Comment Sought on Conexions LLC d/b/a Conexion Wireless Petition for Limited Designation as an Eligible Telecommunications Carrier in Several States*, WC Docket No. 09-197, Public Notice, 24 FCC Rcd 13509 (2009).

<sup>&</sup>lt;sup>2</sup> See, e.g., Petition at 2-3, passim.

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the pendency of the Petition, however, Conexions has acquired the capability to provide some of the supported services using its own facilities – specifically, the facilities to provide operator services and directory assistance services to its customers.<sup>3</sup> Conexions' parent company has acquired a facility that will provide all of the directory assistance and operator services to Conexions' customers.<sup>4</sup> This facility contains all of the equipment, and employs all of the individuals, necessary to provide all of the operator services and directory assistance services for Conexions' wireless customers. All calls from Conexions' customers' phones to "0" or "611" (operator services) and "411" (directory assistance) will be routed to this facility. Conexions will continue to use the resale of services from Verizon Wireless to provide the other supported services. Therefore, as an ETC, Conexions will provide service "using a combination of its own facilities and resale of another carrier's services."

As the Commission has concluded, "if a carrier uses its own facilities to provide at least one of the designated services ... then the facilities requirement of section 214(e) is satisfied." The Commission specifically has held that "a carrier could satisfy the facilities requirement by using its own facilities to provide access to operator services, while providing the remaining services designated for support through resale." In this case, Conexions will use its own facilities to provide both operator services and another supported service, directory assistance. The Commission also has held that ownership of facilities by an applicant's parent company is sufficient to satisfy the own-facilities requirement. Thus, Conexions unquestionably will satisfy the statutory facilities requirement.

Because Conexions will provide service using a combination of its own facilities and the resale of other carriers' services, Conexions will not avail itself of the forbearance from the requirement that it do so. <sup>9</sup> As a result, conditions imposed specifically on reseller ETCs should

<sup>&</sup>lt;sup>3</sup> 47 C.F.R. §§ 54.101(a)(6), 54.101(a)(8).

<sup>&</sup>lt;sup>4</sup> The facility is owned by Three Dawg Mountain, LLC, which is 100% owner of Conexions Acquisition Group, LLC ("Group"). Group is 100% owner of Conexions, LLC d/b/a Conexion Wireless (the applicant).

<sup>&</sup>lt;sup>5</sup> 47 U.S.C. § 214(e)(1)(A).

<sup>&</sup>lt;sup>6</sup> Federal-State Joint Board on Universal Service, CC Docket No. 96-45, Report and Order, 12 FCC Rcd 8776, 8871 ¶ 169 (1997) (subsequent history omitted).

<sup>7</sup> Id.

<sup>&</sup>lt;sup>8</sup> Telecommunications Carriers Eligible for Universal Service Support, Virgin Mobile USA, L.P., Petition for Designation as an Eligible Telecommunications Carrier in the State of Alabama, et al., Order, DA 10-2433 (rel. Dec. 29, 2010) ("Virgin Mobile ETC Order") at ¶¶ 15-16.

<sup>&</sup>lt;sup>9</sup> See Telecommunications Carriers Eligible for Universal Service Support, Federal-State Joint Board on Universal Service, Conexions Petition for Forbearance, WC Docket No. 09-197, CC Docket No. 96-45, Order, 25 FCC Rcd 13866 (2010) ("Conexions Forbearance Order").

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not apply to Conexions; in particular, Conexions should not be subject to an obligation to obtain a certification from each public safety answering point ("PSAP") where Conexions seeks to provide Lifeline service confirming that the carrier provides its customers with 911 and E911 access. Nevertheless, consistent with prior Commission decisions, Conexions is making a number of public-interest commitments, including commitments related to E911 service.

### II. Public Interest Commitments

Conexions recognizes the importance of safeguarding the Commission's low-income universal service program and ensuring the availability of emergency service to low-income consumers. Consistent with the Commission's prior decision granting limited ETC status for the purpose of participating in the low-income program to a facilities-based carrier, <sup>12</sup> Conexions hereby makes a number of public interest commitments designed to avoid waste, fraud, and abuse, and ensure the availability of emergency services. Specifically, Conexions commits to:

- Provide its Lifeline customers with 911 and E911 access regardless of activation status and availability of prepaid minutes;
- Provide E911-compliant handsets to all of its Lifeline customers, and to replace, at no charge to the customer, any non-compliant handset of an existing customer that obtains Lifeline-supported services with an E911-compliant handset;
- Certify that it is in full compliance with any applicable 911/E911 obligations, including obligations relating to the provision, and support, of 911 and E911 service for each state in which it is designated by the Commission as a limited ETC.
- Deal directly (and not through sales agents) with customers to certify and verify the customers' Lifeline eligibility;
- Require each customer to self-certify at time of service activation and annually thereafter
  that he or she is the head of household and receives Lifeline-supported service only from
  that carrier;
- Establish safeguards to prevent its customers from receiving multiple Lifeline subsidies from that carrier at the same address;
- Deal directly with the customer to certify and verify the customer's Lifeline eligibility;

 $<sup>^{10}</sup>$  *Id.* at ¶ 11. *See also id.* at ¶ 21 (denying forbearance to participate in the Link-Up program). In light of Conexions' facilities-based status, the letter from Brian Cox dated Oct. 13, 2009 is withdrawn as moot.

<sup>&</sup>lt;sup>11</sup> See infra Section II.

<sup>&</sup>lt;sup>12</sup> See Virgin Mobile ETC Order at ¶¶ 14, 20-25.

- Provide state commissions with data that will enable the states to track whether some
  consumers are enrolled in more than one Lifeline program. Specifically, Conexions
  agrees to make available state-specific customer data, including name and address, to
  each state PUC where it operates for the purpose of permitting the PUC to determine
  whether an existing Lifeline customer receives Lifeline service from another carrier;
- Promptly investigate any notification that it receives from a state PUC that one of its customers already receives Lifeline service from another carrier;
- Immediately deactivate a customer's Lifeline service and no longer report that customer
  on USAC Form 497 if Conexions' investigation concludes that the customer receives
  Lifeline services from another carrier in violation of the Commission's regulations;
- Implement a non-usage policy whereby Conexions will identify Lifeline customers that have not used Conexions' Lifeline service for 60 days, and cease to claim Lifeline reimbursements for such customers if they do not use their service within a 30-day grace period following the initial 60-day non-usage period. Specifically, if no usage appears on a Conexions' Lifeline customer's account during any continuous 60-day period, Conexions will promptly notify the customer that the customer is no longer eligible for Conexions Lifeline service subject to a 30-day grace period. During the 30-day grace period, the customer's account will remain active, but Conexions will engage in outreach efforts to determine whether the customer desires to remain on Conexions' Lifeline service. If the customer's account does not show any customer-specific activity during the grace period (such as making or receiving a voice call, receiving or sending a text message, downloading data or adding money to the account), Conexions will deactivate Lifeline services for that customer. In addition, Conexions will not seek to recover a federal Universal Service Fund subsidy for the free minutes provided to the customer during the grace period or thereafter report that customer on its USAC Form 497.

Conexions agrees to comply with the above conditions in any and all states where it is designated as an ETC by the Commission within 30 days of the effective date of such designation.

### III. Conexions' ETC Petition Should Be Granted Without Further Delay

Granting Conexions limited ETC status to participate in the Commission's low-income program will advance the program's goals by enabling the program to reach more eligible but unserved customers. Conexions' parent company has years of experience, through its wireline affiliates, in reaching out to low-income individuals and providing services that meet their needs. The value of Conexions' service is demonstrated by the letter from Community Action Partnership urging the Commission to grant Conexions' petition "to continue to assist [its] poverty-fighting network of local Community Action Agencies and help those in need." 13

<sup>&</sup>lt;sup>13</sup> Letter from Don Mathis, President and CEO, Community Action Partnership, CC Docket No. 96-45 (filed Sept. 24, 2009).

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Conexions' ETC status will serve the public interest; it should be designated as a facilities-based special ETC to participate in the low-income program without further delay.

Respectfully submitted,

Thomas Biddix

Manager L

Conexions, LLC, d/b/a Conexion Wireless

cc: Vickie Robinson